

PM-15-037 Insuring Carinata for the 2016 and Succeeding Crop Years

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Date

July 13, 2015

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Tim B. Witt, Deputy Administrator /s/ Tim B. Witt

Subject

Insuring Carinata for the 2016 and Succeeding Crop Years

Background

Approved insurance providers (AIPs) and producers have raised questions regarding the insurability of *Brassica carinata* (hereafter referred to as “carinata”). Carinata is an inedible oilseed sharing characteristics of both mustard and canola intended for the biofuel market. A common name for the crop is “Ethiopian Mustard.” Processor contracts are being promoted in both fall and spring-seeded canola counties for the 2016 crop year. The Risk Management Agency (RMA) became aware that carinata contracts were being offered earlier this year in Georgia, North Dakota and Montana.

The sole requirement for insurability under the Mustard Crop Provisions is that the crop be in the family Cruciferae. The genus Brassica is in the family Cruciferae, so carinata meets this requirement and was insurable under the Mustard Crop Provisions in the 2015 crop year.

The Canola and Rapeseed Crop Provisions have different requirements for canola and for rapeseed. For the canola type, the policy requires the crop to meet the

United States Standards for Grain – Subpart C – U. S. Standards for Canola, and carinata does not meet this requirement because it is an inedible oil, whereas canola is an edible oil. For the rapeseed type, the requirement is for the insured crop to contain at least 30 percent of an industrial type of oil (high erucic acid in this case, as specified in the Special Provisions). Carinata's oil profile contains more than 30 percent high erucic acid, so carinata meets this requirement and can be insured under the Canola and Rapeseed Crop Provisions as a rapeseed type.

The mustard program is available in Idaho, Montana, North Dakota, Oregon and Washington. The canola/rapeseed program is available in those states and in additional southern and Midwestern states: Alabama, Georgia, Kansas, Kentucky, Minnesota, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas.

With the majority of 2015 contracted acres in North Dakota and Montana, the Billings Regional Office issued a guidance memorandum instructing AIPs that spring-planted carinata was insurable using the Spring High Erucic Rapeseed type under the Canola and Rapeseed Crop Provisions. The memorandum advised that insuring carinata in this way was only acceptable for the 2015 crop year.

Action

For the 2016 and succeeding crop years, a Special Provisions statement has been added to all canola/rapeseed and mustard program counties stating that carinata is only insurable by written agreement under the Canola and Rapeseed Crop Provisions.

Effective beginning with the 2016 crop year, AIPs must submit TP (unrated practice or type) or XC (county without actuarial documents) requests for a written agreement by the applicable deadline to insure carinata.

If you have any questions, please contact the applicable RMA Regional Office, Bill Bing or Claire White, Product Administration and Standards Division, at (816) 926-7730.

DISPOSAL DATE:

December 31, 2016